# TOWN HALL INFORMATION SESSIONS

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DASN(CHR)
26 and 27 April 2005

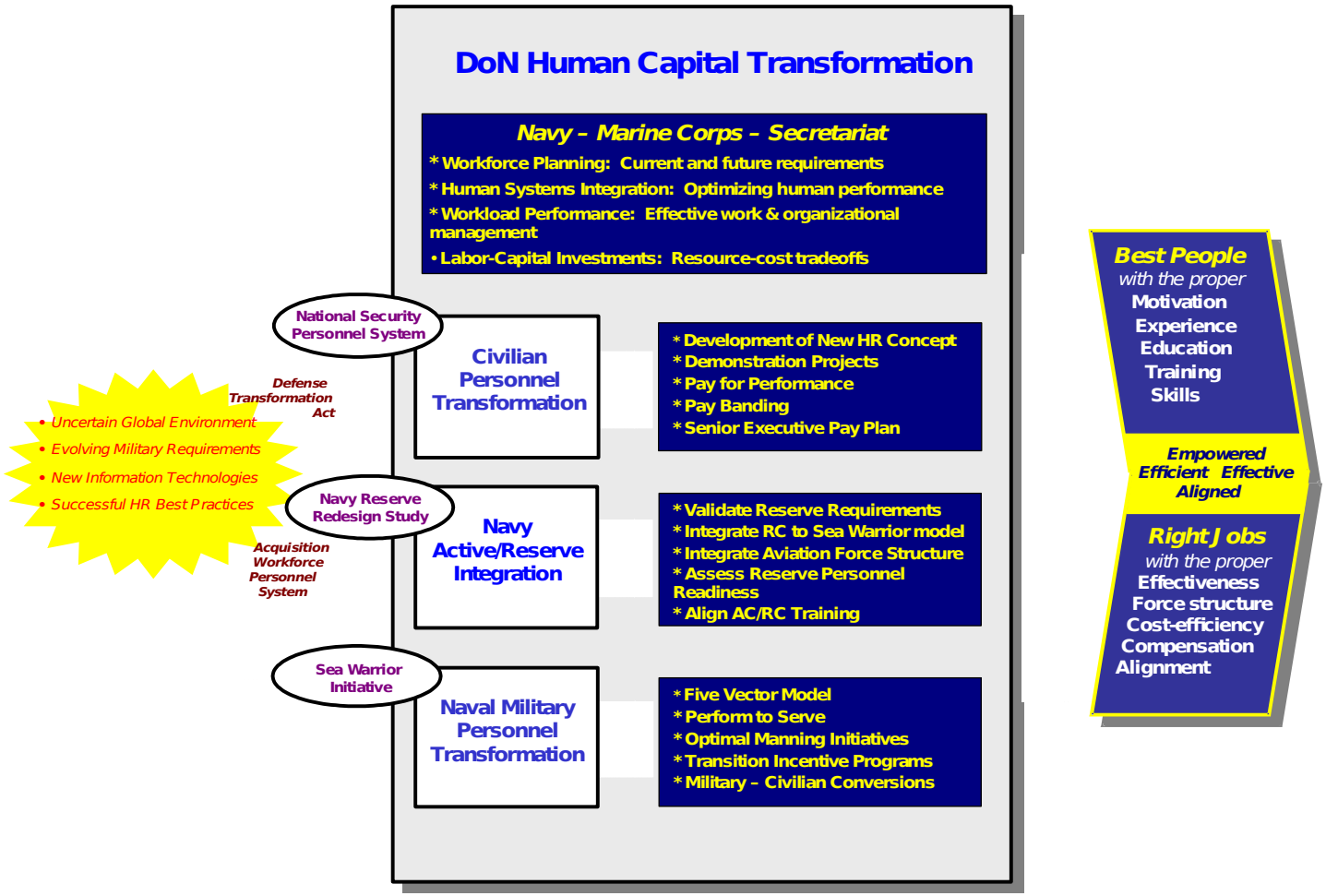
# Topics

- Why NSPS?
- DON Human Capital Transformation
- Let's Talk About NSPS

# Why Now? Change Drivers

- **Demands historically placed on DoD and its civilians have elevated since 9/11 – with no ceiling in sight**
- **Current system is inadequate to manage DoD civilian personnel in today's national security environment**
  - Hiring is too slow; adversely affects our ability to attract and retain high quality talent
  - Current pay system results in outstanding performers being paid the same as poor performers
  - Rigid, inflexible rules hinder DoD's ability to act without delay to meet mission needs and manage from "total force" perspective
- **Quick and effective civilian personnel actions will free military personnel to support the war fighting mission**
  - For example
    - *Hiring civilian mechanics allows military maintainers to keep equipment operational in a theatre of operation*
    - *Adequately compensating/rewarding an engineer improves retention, retains critical skills and supports the war fighter*
- **Desire to leverage successful DOD Demonstration Projects**
- ***DON Human Capital Transformation Vision***

# VISION: HUMAN CAPITAL TRANSFORMATION- KEY TO ACHIEVING NAVAL POWER 21




**Goal:**

***Effectively match talent to task, while maximizing, to the extent possible, placement of the military primarily in those positions that require***

NSPS Department of the Navy
Supporting a high performing workforce

# Civilian Personnel Transformation

- **Goals for Success:**
  - Implementing the NSPS within the DON
  - Embedding a high performance organizational culture
- **Resources:**
  - NSPS will serve as the primary ***tool***
    - Fosters alignment of strategic goals and individual/team objectives and expectations
    - Encourages excellence by linking performance and contribution to pay
    - Offers more efficient, effective and timely staffing and recruitment processes
    - Provides safeguards to promote fairness, transparency, and accountability as well as to provide appropriate funding levels
  - Functional competencies for 21 civilian communities
    - ***Promotes workforce development for critical skills and successful performance***
    - Developed by Navy and Marine Corps Community Management Groups
    - Every civilian position will belong to a community
    - Each community will have work descriptors, examples of work, and competencies needed for each career level

# Are We Ready for NSPS and Civilian Personnel Transformation?

- **Mapping our way forward:**
  - ***First Steps:***
    - **Determine readiness**
      - Corporate Leadership Council (CLC) performance survey
      - Conducted between 13 January 2005 and 28 February 2005
      - Random sample of 40,000 of the DON's approximate 180,000 civilian employees
      - 40% (18,100) of surveyed employees responded to the survey
      - Respondents mirrored overall population
    - **Assess DON Performance Management Environment**
      - CLC collected and analyzed survey findings
    - **Report assessment to leadership**
      - 8 April 2005: Aggregate DON-level findings presented to cross-section of senior leaders
      - Reports for each Navy Major Claimant and Marine Corps organization to be issued by end of May 2005
  - ***Next Steps:***
    - **DON, Major Claimants and Marine Corps Organizations analyze report**
    - **Identify and implement improvement strategies**
    - **Report assessment to employees**
    - **Assess effectiveness of strategies**
    - **Continue, modify, or add strategies**

# Readiness Assessment—Executive Summary

- Strengths of the Performance Management Environment
  - Effective at ***providing employees with significant responsibility***
  - Informal feedback is ***fair and accurate***
  - Support of ***appropriate risk taking***
- Opportunities to Strengthen Environment
  - Role of the manager increasingly important to rollout of NSPS
    - Specificity in informal feedback
    - Guidance on problem solving
    - Providing flexibility
    - Emphasizing internal communications, both up and down chain of command

Department of the Navy
National Security Personnel System
Supporting a High Performing Workforce

# Let's Talk About NSPS

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## an *Important Tool* in Achieving Human Capital Strategy

# How We Arrived Here?

**24 November 2003:** NSPS authorized by National Defense Authorization Act (Public Law 108-136).

**Early 2004:** Program Executive Office established. Oversees development and implementation. Coordinates with senior leaders.

**Summer 2004:** DoD and OPM convened six design working groups to develop options.

**Fall 2004/Winter 2005:**

- Options reviewed and system design proposed.
- Secretary Rumsfeld and OPM Director James approved proposed regulations.
- Proposal published in Federal Register on 14 February 2005 for public review and comment.

## DESIGN PROCESS HIGHLIGHTS

- Over 100 participants in Working Groups.
- Conducted over 100 Focus Groups and 50 Town Hall meetings
- Considered existing alternative personnel systems, DoD demo projects and other Federal agency systems.
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# How We Got Here? (continued)

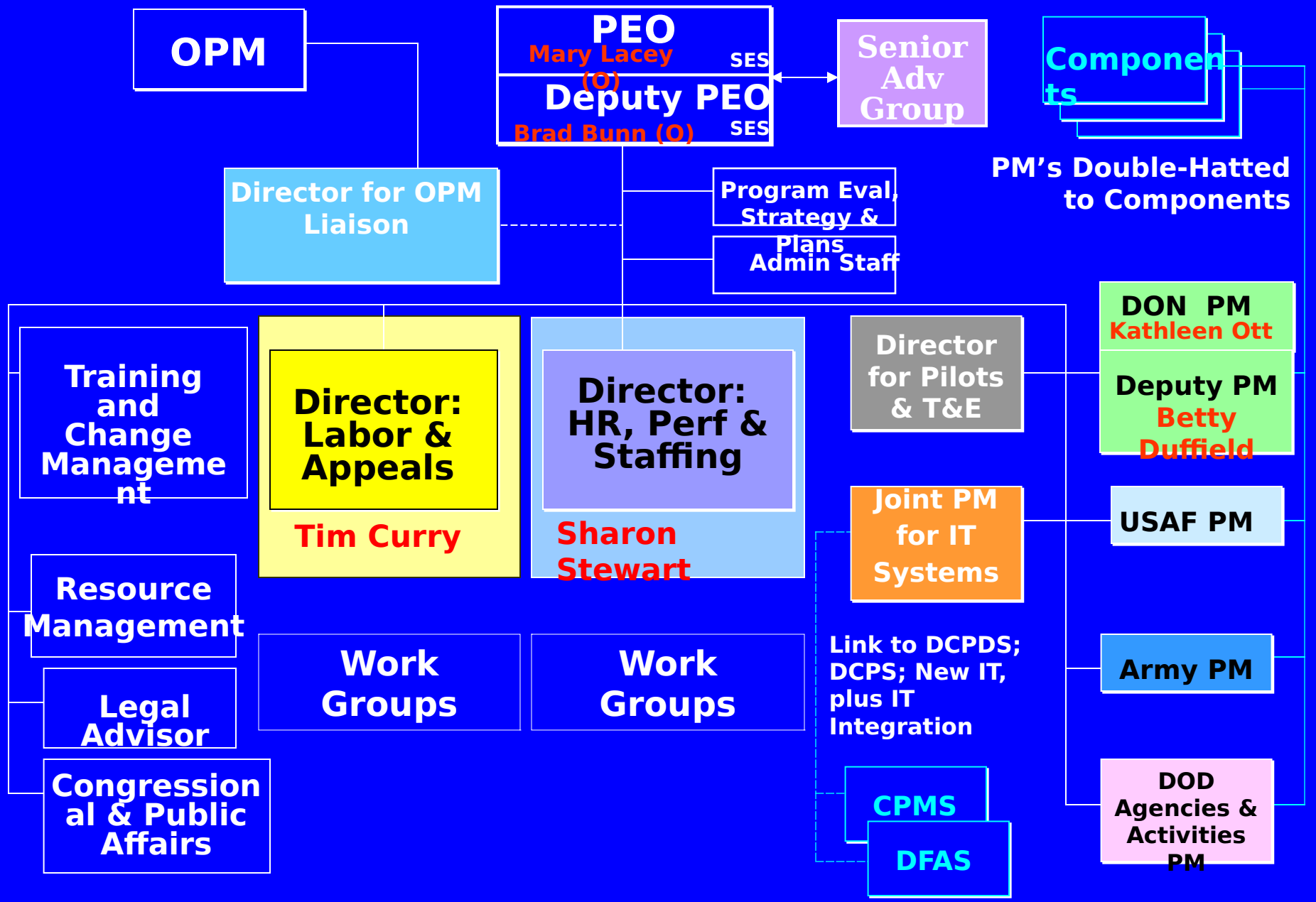
**Spring 2005:**

- 30-day comment period closed with over 58,000 comments received
- Review in process with *full and fair consideration* of comments and recommendations
- Meet and confer period (began 18 April 2005) with employee unions (minimum of 30 days)
- Discuss enabling regulations; attempt to reach agreement
- Assistance from Federal Mediation and Conciliation Service

**Future Milestones:**

- **Following Meet and Confer:** Congress notified of outcome of meet and confer
- **Finalize enabling regulations**
- **Develop implementing regulations**

# nctional NSPS PEO Organization



# Guiding Principles

Proposed NSPS design rooted in ***Seven Guiding Principles***:

1. Put mission first – support National Security goals and strategic objectives
2. Respect the individual; protect rights guaranteed by law
3. Value talent, performance, leadership and commitment to public service
4. Be flexible, understandable, credible, responsive, executable
5. Ensure accountability at all levels
6. Balance HR interoperability with unique mission requirements
7. Be competitive and cost effective

# Operational Requirements: Key Performance Parameters

DoD established ***Key Performance Parameters (KPPs)*** to describe required attributes and features of the system – these KPPs guided the working groups and senior leaders in developing and considering options

- **High Performing:** *Employees/supervisors are compensated/retained based on performance/contribution to mission*
- **Agile & Responsive:** *Workforce can be easily sized, shaped, and deployed to meet changing mission requirements*
- **Credible and Trusted:** *System assures openness, clarity, accountability and merit principles*
- **Fiscally Sound:** *Aggregate increases in civilian payroll, at the appropriations level, will conform to OMB fiscal guidance; managers will have flexibility to manage to budget*
- **Supporting Infrastructure:** *Information Technology support and training and change management plans are available and funded*
- **Schedule:** *NSPS will be operational and demonstrate success prior to November 2009*

# What NSPS Does *Not* Change

- Merit System Principles
- Rules against prohibited personnel practices
- Whistleblower protection
- Veterans Preference
- Benefits (retirement, health, life, etc.)
- Anti-discrimination laws
- Fundamental due process
- Allowances and travel/subsistence expenses
- Training
- Leave and work schedules
- Other personnel systems in law
- Lab Demo organizations (until 1 October 2008)

# NSPS Major Design Elements

**Classification**
- Pay architecture
- Job descriptions
- Occupational groupings

**Pay/Compensation**
- Market sensitive pay
- Performance-based pay
- Pay setting

**Performance Mgmt**
- Setting expectations
- Communicating/ feedback
- Appraising performance
- Addressing poor performance

**Hiring**
- Hiring authorities
- Examining procedures

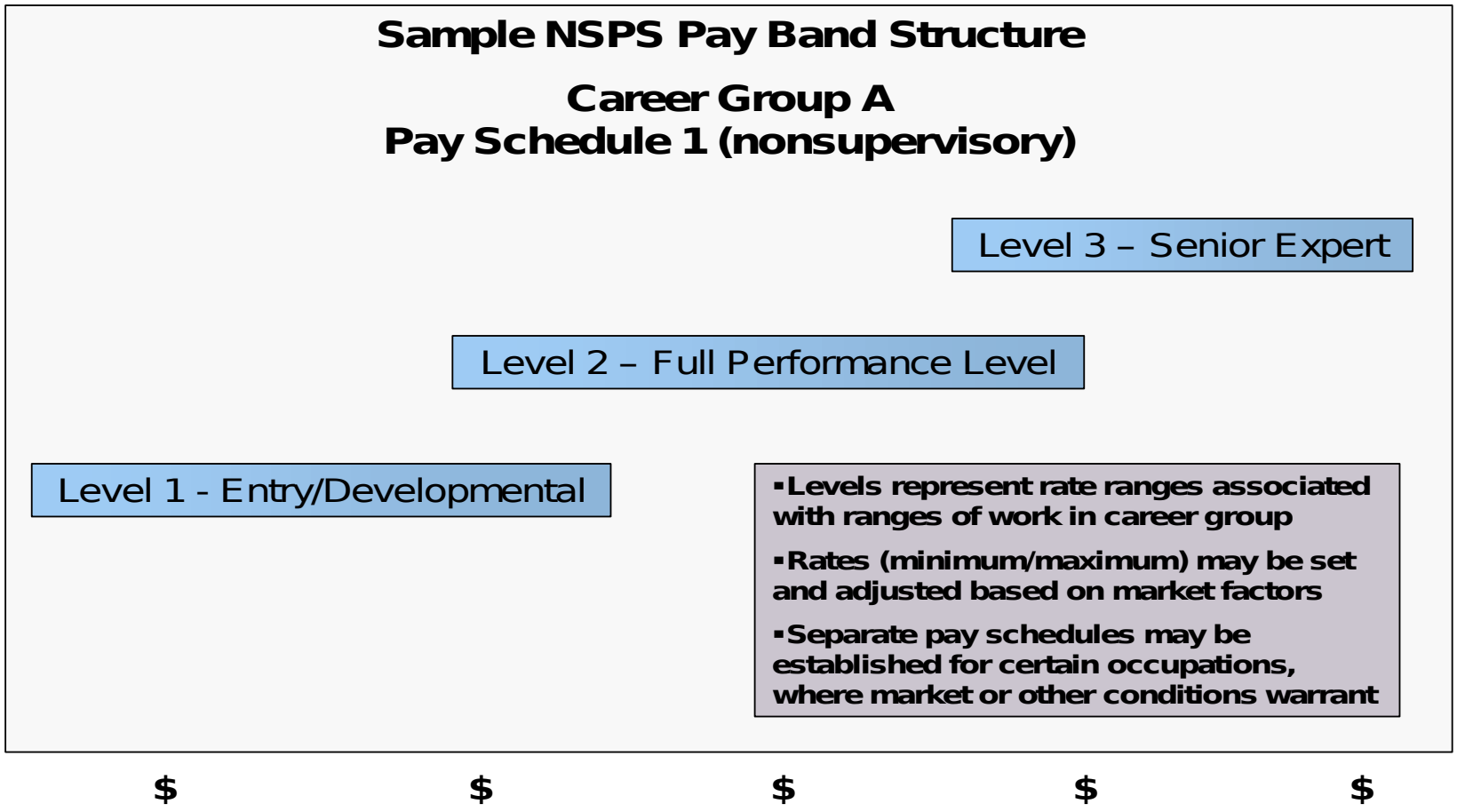
**Reduction in Force**
- Procedures for resizing organizations
- Defining competitive areas
- Factors for retention

**Adverse Actions**
- Dealing with performance and/or conduct problems
- Procedures for taking actions

**Appeals**
- Procedures for appealing adverse actions
- MSPB role

**Labor Relations**
- Collective bargaining rights
- Scope of bargaining
- Bargaining process
- Resolving labor disputes

# Pay Band Illustration


Sample NSPS Pay Band Structure
Career Group A
Pay Schedule 1 (nonsupervisory)
Level 3 – Senior Expert
Level 2 – Full Performance Level
Level 1 - Entry/Developmental
▪Levels represent rate ranges associated with ranges of work in career group
▪Rates (minimum/maximum) may be set and adjusted based on market factors
▪Separate pay schedules may be established for certain occupations, where market or other conditions warrant
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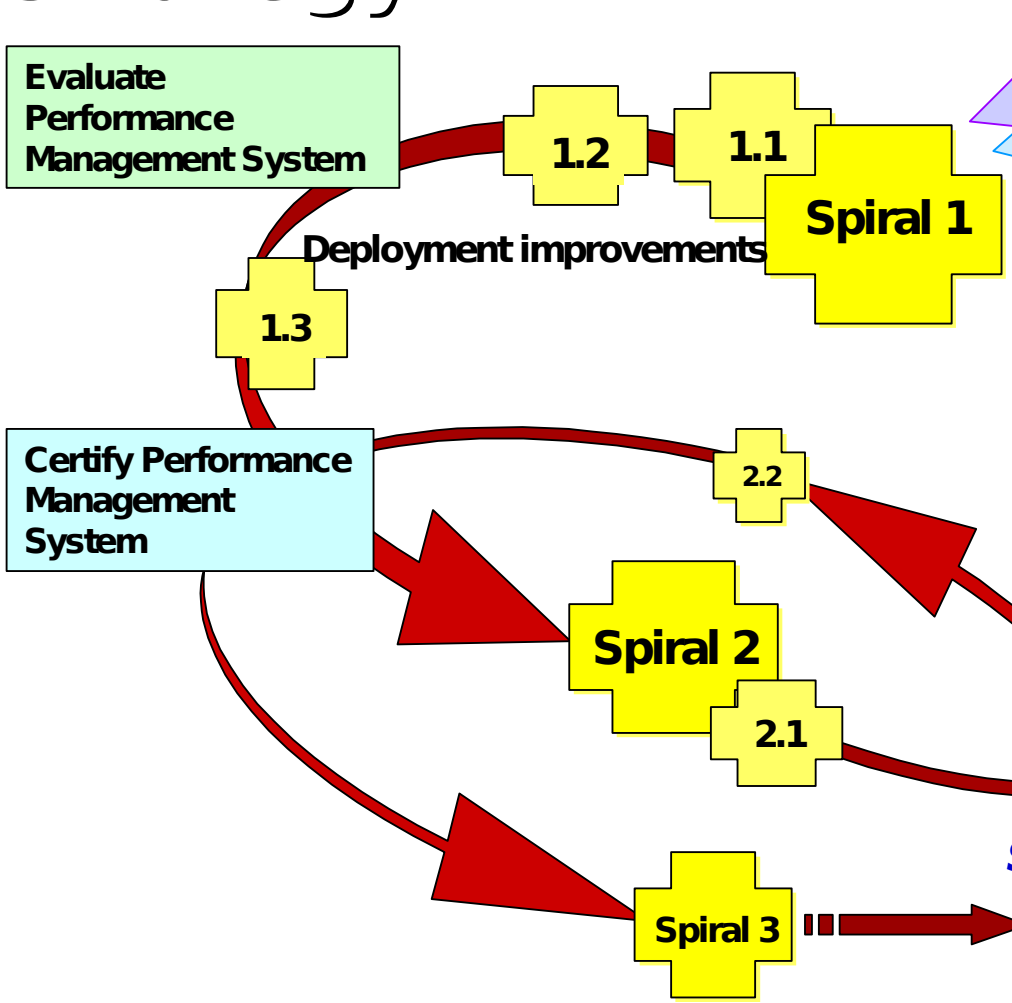
# Who is Affected by NSPS?

- **NSPS Human Resources System (Pay, performance, hiring, RIF, adverse actions, and appeals provisions)**
  - Vast majority of DoD employees eligible for coverage: initially apply only to selected General Schedule employees in Spiral One organizations. Certain categories excluded (e.g., intelligence personnel, Defense Labs)
  - Employees in special pay/classification systems (e.g., wage grade) will be phased in later (not sooner than eighteen months)

- **NSPS Labor Relations System**
  - Applies to all employees and labor organizations currently covered by Chapter 71 of title 5
  - Will be implemented across entire Department when final regulations are effective

# Spiral Strategy




***Spiral 1:***
***Up to 300,000 employees***
***As early as July 2005***

***Spiral 2:***
***a. New Functionality, e.g., FWS***
***b. Above 300,000 Employees***
***As early as January 2007***

***Spiral 3: (1 Oct 08)***
***Add Labs when criteria are met***

# Spiral One

- **DON solicited interested organizations for Spiral One criteria:**
  - Should have an adaptive workforce climate and demonstrated acceptance of readiness for change
  - Should have established methods to measure effectiveness of mission accomplishment and a strategic or business plan tied to HR practices
- **Spiral One Organizations announced 15 December 2004**

# Spiral Coverage: NSPS HR System

- Spiral 1.0 includes up to 300,000 white collar employees across the entire Department of Defense
  - Spiral 1.0 implementation occurs in three phases (1.1, 1.2, and 1.3) over an 18-month period beginning as early as July 05
- Within the Department of the Navy, Spiral 1.0 is defined as follows:
  - Spiral 1.1: 12,500 employees, 13 Major Claimants
  - Spiral 1.2: 24,000 employees, 14 Major Claimants
  - Spiral 1.3: 43,500 employees, 8 Major Claimants
- Spiral 2.0 occurs after assessment cycle and includes the remaining DON white collar population and all DON blue collar employees (except MSC)
- Spiral 3.0 is comprised of the Reinvention Labs (if decision made to include)

# Implementation Challenges

- **Changing culture from Entitlement to Performance**
  - Pay linked to performance
  - Performance evaluations to be measurable and tied to business results and strategic goals
- **Budgeting/Managing Costs**
  - Ensuring pay pool funds protected
  - Within-grade buyout funds availability
- **Technology**
  - Tools for documenting and tracking performance goals/pay models
  - Modifying IT systems for transition to NSPS
- **Training**

# Preparing for Transformation and NSPS

- Target audiences
  - Senior leaders, managers, and supervisors
  - Employees
  - HR and LR practitioners
  - Pay pool managers/administrators

- Dual focus
  - Functional training (NSPS system)
  - Change management ("behavioral skills")
    - Navy's **E-Learning Curriculum for Managers, Supervisors, Employees**
    - Located on Navy Knowledge on Line: wwwa.nko.navy.mil
    - **"Coaching for High Performance"–** classroom training for supervisors and employees

- Learning objectives
  - Foster a culture that focuses on results, values performance, rewards contributions, and promotes excellence
  - Educate employees about NSPS
  - Teach skills and behaviors necessary to implement a high performing workforce and sustain NSPS

# Five Ways Employees Can Get Ready for NSPS

1. Be proactive! Visit the NSPS web sites regularly to stay up-to-date on the latest NSPS information.

   **www.cpms.osd.mil/nsps**
   **www.donhr.navy.mil/NSPS/default.asp**
   **wwwa.nko.navy.mil**

2. Review your organization's mission and goals. Think about what you can do to help achieve those goals.
3. View this as a positive change. Make a difference!
4. Begin a two-way dialog with your supervisor about your accomplishments, current work, and future plans.
5. Contact your local NSPS program office about local NSPS training.

**Stay Informed!**

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Supporting a high performing workforce

# Five Ways Managers and Supervisors Can Get Ready for NSPS

1. Reinforce organization's mission and goals.
2. Help staff understand how their work contributes to achieving those goals.
3. Visit NSPS website regularly to stay up-to-date on the latest NSPS information.

   www.cpms.osd.mil/nsps

   www.donhr.navy.mil/NSPS/default.asp

   wwwa.nko.navy.mil
4. Host periodic formal and informal meetings to share what you know.
5. Establish a peer network.

**Lead the way!**

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